

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-07 L-02

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USIA-06 SY-04 SCCT-01 AID-05 IGA-01 NIC-01 /067 W

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R 202030Z JAN 75

FM AMEMBASSY SANTO DOMINGO

TO SECSTATE WASHDC 2597

INFO AMEMBASSY CARACAS

AMEMBASSY PORT AU PRINCE

CINCLANT FOR POLAD

CINCSO

C O N F I D E N T I A L SECTION 1 OF 2 SANTO DOMINGO 0324

E.O. 11652: GDS

TAGS: PINT, PFOR, DR

SUBJECT: DOMINICAN POLITICAL ASSESSMENT: FOURTH QUARTER 1974

WITH THIS REPORT, EMBASSY IS RESUMING QUARTERLY POLITICAL ASSESSMENTS, THE LATEST OF WHICH WAS SUBMITTED IN JANUARY 1974.

1. SUMMARY

KIDNAPPING OF PAO BARBARA HUTCHISON AND SEVEN OTHERS WAS DRAMATIC ERUPTION IN OTHERWISE QUIET PERIOD. POLITICAL PARTIES, EXPECTING OVERTURES FROM PRESIDENT BALAGUER FOLLOWING HIS INAUGURAL INVITATION TO OPPOSITION GROUPS TO PARTICIPATE IN GOVERNMENT, ADOPTED POSTURES OF COOPERATION, DEFINACE OR SKEPTICISM, BUT CONCURRENCE OF CHRISTMAS AND BASEBALL SEASONS DILUTED INTEREST IN POLITICAL MATTERS. EGGED ON BY PRESIDENT BALAGUER'S OWN RURAL POLITICAL ORGANIZATIONS, GOVERNMENT AUTHORITIES MOVED AHEAD, BUT SLOWLY, WITH AGRARIAN REFORM, WHILE PRESIDENT ALTERNATELY ENCOURAGED AND RESTRAINED FORCES ON ALL SIDES. EXTREMIST GROUPS HAVE TRIED TO EXPLOIT BOTH CAMPESINOS AND URBAN

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WORKERS BUT WITHOUT SIGNIFICANT SUCCESS.

UNPRECEDENTED SUGAR REVENUES AND SUBSTANTIAL GENERAL INCREASES IN FOREIGN EXCHANGE EARNING ARE PRESENTING NEW OPPORTUNITIES AND SERIOUS PROBLEMS TO THE COUNTRY. AS IT BECOMES A MORE IMPORTANT FACTOR IN SUPPLY OF BASIC COMMODITIES, DR IETBEING COURTED ASSIDUOUSLY BY VENEZUELA AND IS COMING UNDER INCREASING PRESSURES FROM OTHER COUNTRIES FOR ASSOCIATION WITH INTERNATIONAL PRODUCER GROUPS ORGANIZED TO PROTECT PRICES OF RAW MATERIALS AND BASIC FOODSTUFFS.

SUCCESSFUL RESOLUTION OF HUTCHISON KIDNAPPING; SIGNING OF NEW AGREEMENT WITH ALCOA; STEADY, STRONG MARKET FOR U.S. PRODUCTS; CONTINUING PROPITIOUS CLIMATE FOR FOREIGN INVESTMENT; AND PROLONGED POLITICAL STABILITY BROUGHT BY PRESENT GOVERNEMTN, FAVORED UNITED STATES INTERESTS DURING THE QUARTER. HOWEVER, PRESSURES FROM SOME QUARTERS ARE INCREASING ON GOVERNMENT TO TAKE MORE NATIONALISTIC STANCES IN PROMOTING ITS ECONOMIC INTERESTS, EVEN AT EXPENSE OF ITS CUSTOMARY CORDIAL RELATIONS

WITH U.S. CURRENT INDICATIONS ARE THAT GOVERNMENT RESPONSES TO THESE PRESSURES WILL NOT DAMAGE BASIC U.S. INTERESTS IN THE YEAR AHEAD. END SUMMARY.

2. TERRORIST ACTIONS

HUTCHISON KIDNAPPING REPRESENTED AN ABERRATION IN DOMINICAN POLITICS; IT WAS AS UNPREDICTABLE AND ANOMALOUS AS PERSONALITY OF PRINCIPAL KIDNAPPER HIMSELF. ALTHOUH MINUSCULE EXTREMIST GROUPS STILL ADVOCATE TERRORISM AND COULD AT ANY TIME ATTEMPT NEW ACTS, ALL SIGNIFICANT LEFTIST ORGANIZATIONS DENOUNCED THE KIDNAPPING. BECAUSE OF THIS AND BECAUSE OF GODR'S RESTRAINT AND PERCEPTION IN HANDLING KIDNAPPERS, PRUDENCE OF USG AND EMBASSY IN DEALING WITH SITUATION AND PAO HUTCHISON'S CONSUMMATE UNFLAPPABILITY, WHOLE CASE QUICKLY RECEDED FROM PUBLIC ATTENTION AFTER RESOLUTION. IT LEFT NO ADVERSE EFFECTS ON US-DR RELATIONS OR ON EMBASSY'S POSITION OR OPERATIONS, AND IN SOME WAYS BROUGHT OUR RELATIONS CLOSER TOGETHER. LEFTISTS' FEARS THAT GOVERNMENT WOULD RETALIATE BY ASSAULT ON THEIR LEADERS WERE APPARENTLY GROUNDLESS. HOWEVER, FOLLOWING A NUMBER OF SENSATIONAL WELL-ORGANIZED HOLD-UPS, CONFIDENTIAL

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PERHAPS INVOLVING RADICAL LEFT, WHICH TOOK PLACE TOWARD YEAR'S END, POLICE MOVED VIGOROUSLY AGAINST PEOPLE WHO MIGHT HAVE BEEN INVOLVED.

3. NEW FACES

PRESIDENT BALAGUER'S AUGUST 16 INAUGURAL PROMISE TO BRING NEW FACES INTO GOVERNMENT SET OPPOSITION PARTIES TO PREENING,

GROOMING AND POSTURING FOR ATTENTION. PARTIES HAVE SOUGHT OUT ISSUES, LIKE AGRARIAN REFORM, ON WHICH THEY COULD PUBLICLY SUPPORT THE PRESIDENT. PRESIDENT WAS KNOWN TO HAVE HELD CONSULTATIONS WITH PARTIDO REVOLUCIONARIO DOMINICANO (PRD), PARTIDO REVOLUCIONARIO SOCIAL CRISTIANO (PRSC) AND OTHER LEADERS. NOMINATION OF FOUR PRSC ACTIVISTS TO SCATTERED POSITIONS ON JANUARY 1 WAS THOUGHT TO BE BEGINNING OF PROCESS, NOT ITS CULMINATION. ALTHOUGH PRD SECRETARY GENERAL JOSE FRANCISCO PENA GOMEZ HAS REITERATED PARTY'S OWN REFUSAL TO ENTER GOVERNMENT AND ITS LEADERS' UNAVAILABILITY FOR INDIVIDUAL POSITIONS, TALKS ARE REPORTEDLY CONTINUING. PRESIDENT MOVED ONE MORE STEP TOWARD MEETING RIGHTIST PARTIDO QUISQUEYANO DEMOCRATA (PQD) CONDITIONS WHEN ON CHRISTMAS DAY HE RELEASED 16 MILITARY HELD SINCE 1971 FOR PARTICIPATION IN PQD PRESIDENT WESSIN Y WESSIN'S COUP ATTEMPT. MEANWHILE, SMALL AMIAMA TIO PARTY (GIAT) HAS BEEN DISMEMBERED BY NOMINATION OF LEADERS TO GOVERNMENT POSITIONS.

4. VICTOR GOMEZ BERGES

WITHOUT PUBLIC EXPLANATION OR FOREWARNING, PRESIDENT BALAGUER PUT FOREIGN SECRETARY VICTOR GOMEZ BERGES ON LEAVE ON NOVEMBER 19. THE REASON FOR THIS ACTION WAS THAT GOMEZ HAD SHOWN TOO MUCH ZEAL IN SUPPORTING THE MOVE TO LIFT CUBA SANCTIONS IN THE LA FOREIGN MINISTERS' DISCUSSIONS AT QUITO. JUST AS SUDDENLY, THE PRESIDENT RESOTRED GOMEZ TO HIS FUNCTIONS ON JANUARY 1. THE INCIDENT DEMONSTRATED THE PRESIDENT'S DETERMINATION TO EXERCISE CONTROL OVER FOREIGN POLICY AND HIS WILLINGNESS TO USE HIS POWER TO ENSURE THIS CONTROL. THE PRESIDENT'S ACTION CONSTITUTED A SETBACK FOR GOMEZ' ASPIRATIONS TO THE OAS SEC GEN POSITION.

5. AGRARIAN REFORM

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ALL POLITICAL LEADERS AND PARTIES ARE AWARE OF LATENT POLITICAL

POWER

OF LANDLESS CAMPESINOS. THIS POWER HAS BEEN HARNESSSED BY PRESIDENT BALAGUER IN VERY COMPLICATED BALANCE OF DYNAMIC FORCES, WHICH WAS APTLY DEMONSTRATED

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-01 INR-07 L-02

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FM AMEMBASSY SANTO DOMINGO

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INFO AMEMBASSY CARACAS

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CINCSO QUARRY HTS CZ

C O N F I D E N T I A L SECTION 2 OF 2 SANTO DOMINGO 0324

DURING THE QUARTER BY: (1) ACTIONS OF TWO BALAGUERISTA RURAL POLITICAL ORGANIZATIONS -- MOVIMIENTO AGRARIO REFORMISTA (MAR) AND JUNTA NACIONAL ACCION AGRARIA (JUNAGRA) IN RALLYING CAMPESINOS TO OCCUPY LAND TO FORCE PACE OF AGRARIAN REFORM; (2) PREISDENT'S CONTINUED STRONG SUPPORT FOR METHODOICAL, UNHURRIED APPROACH OF OFFICIAL AGRARIAN INSTITUTE IN DISTRIBUTION OF LANDS; (3) HIS NAMING OF VIGOUOUS NEW MEMBER (GENERAL JUAN RENE BEAUCHAMPS JAVIER) TO COMMISSION FOR APPLICATION OF AGRARIAN LAWS; AND (4) HIS APPARENT PERMISSION, BY ABSENCE OF VISIBLE SUPPORT FOR MEASURE, FOR SENATE TO VOTE AGAINST MAJOR AGRARIAN REFORM BILL OPPOSED BY RANCHERS' ASSOCIATIONS. ELEMENT OF CONSISTENCY IN THIS BEDAZZLING PERFORMANCE IS PRESIDENT'S COMMITMENT TO AGRARIAN REFORM TOGETHER WITH HIS INTENTION TO PROCEED DELIBERATELY; HE NEEDS THE HARNESSSED MENANCE OF CAMPESINOS TO OVERCOME POWERFUL LAND INTERESTS BUT HE INSISTS THAT AGRARIAN REFORM PROJECTS BE RATIONALLY DEVELOPED.

6. LABOR

EXTREME LEFT CENTRAL GENERAL DE TRABAJADORES (CGT), HAVING OBTAINED INFUSIONS OF PERSONNEL AND MONEY FROM MARXIST/LENINIST
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MOVIMIENTO POPULAR DOMINICANO (MPD), LAUNCHED STRONG MOVES INTO LABOR UNIONS AND AMONG CAMPESINOS. AN ATTEMPT TO

ORGANIZE FALCONBRIDGE WORKERS WAS DEFEATED, AFTER SOME REMARKABLE EARLY SUCCESS, BY GOVERNMENT-SUPPORTED DISMISSAL OF UNION ACTIVISTS. HOWEVER, CGT'S NET POSITION AT YEAR'S END WAS SUBSTANTIALLY STRONGER AND MPD ELEMENTS, ESPECIALLY JULIO DE PENA VALDEZ, RELEASED FROM PRISON IN MAY, NOW PROVIDE IT WITH ADDED DYNAMISM. AMONG CAMPESINOS, MPD HAS WORKED WITH AND THROUGH MAR AND JUNAGRA, BUT THOSE TWO BALAGUERISTA ORGANIZATIONS HAVE FAR GREATER RESOURCES THAN MPD, AND DESPITE DISPARATE POLITICAL IDEOLOGIES, APPARENTLY HAVE KEPT THE RELATIONSHIP CORDIAL AND UNDER CONTROL.

7. OUTLOOK

AT THIS JUNCTURE, THERE IS NO SIGNIFICANT IDENTIFIABLE THREAT TO PRESIDENT BALAGUER'S POSITION. THE POLITICAL OPPOSITION REMAINS IN DISARRAY; WE CAN EXPECT THEM TO CONTINUE TO MANEUVER AND SEEK NEW COMBINATIONS DURING THE YEAR, ALTHOUGH THE ABSENCE OF IMPENDING ELECTIONS WILL TEND TO VITIATE THE DRIVE BEHIND SUCH EFFORTS.

8. INCREASED SUGAR AND MINERAL REVENUES HAVE MADE DR A MORE SIGNIFICANT FACTOR IN CALCULATIONS OF PROPONENTS OF PRODUCER CARTELS. DESPITE BASIC CONSERVATION OF GODR AND ITS MANIFEST DESIRE TO AVOID OFFENDING US, CAMPAIGNS TO REALIGN LA COUNTRIES AND PROMOTE COOPERATION WITH OTHER LDC PRODUCERS OF BASIC COMMODITIES FOR PROTECTION OF PRICES AND OTHER ECONOMIC INTERESTS WILL BE HARD TO RESIST. AT SAME TIME, GODR WILL CONTINUE TO RECEIVE PRESSURE FROM SOME DOMESTIC QUARTERS TO DEMONSTRATE GREATER DOMINICAN CONTROL OVER THE ACTIVITIES B LARGE US HOLDINGS HERE, NOTABLY THOSE OF GULF AND WESTERN, ALCOA, FALCONBRIDGE AND ROSARIO. WE SHOULD THEREFORE NOT BE SURPRISED IF GODR DECISIONS, ASSOCIATIONS AND DECLARATIONS IN 1975 ASSUME A SOMEWHAT MORE NATIONALISTIC PUBLIC TONE AND GIVE GREATER EMPHASIS TO DEFENSE OF COUNTRY'S ECONOMIC INTERESTS. GIVEN PRESIDENT BALAGUER'S PRAGMATISM AT HOME AND CAUTIONS CONSERVATISM IN FOREIGN AFFAIRS, HOWEVER, SUCH MODEST CHANGES AS MAY COME ABOUT SHOULD NOT DAMAGE BASIC US INTERESTS HERE. THE INFLATIONARY PRESSURES OF THE COMING YEAR COULD PROVE TO BE DIFFICULT TO CONTROL, HOWEVER. HERE, AS ELSEWHERE IN THE

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WORLD, THEY INJECT A MAJOR ELEMENT OF UNCERTAINTY IN THE COURSE OF DEVELOPMENTS.

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